



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**

**REGION II  
SAM NUNN ATLANTA FEDERAL CENTER  
61 FORSYTH STREET SW SUITE 23T85  
ATLANTA, GEORGIA 30303-8931**

April 27, 2001

BWX Technologies, Inc.  
ATTN: Mr. W. D. Nash, Vice President  
and General Manager  
Naval Nuclear Fuel Division  
P. O. Box 785  
Lynchburg, VA 24505-0785

**SUBJECT: NRC PERFORMANCE REVIEW OF LICENSED ACTIVITIES**

Dear Mr. Nash:

In April 2001, NRC managers and staff in Region II and the Office of Nuclear Material Safety and Safeguards completed a review of your performance in conducting NRC licensed activities. The review evaluated your performance for the period beginning April 9, 2000, and ending March 10, 2001. BWX Technologies (BWXT) performance was evaluated in five major areas: Safety Operations, Nuclear Material Safeguards, Radiological Controls, Facility Support, and Special Topics. This letter provides you the results of our review, and will be used as a basis for establishing the NRC oversight program for your conduct of licensed activities during the next 12 months.

Our review determined that BWXT protected public health and safety, protected the environment, and assured control and security of licensed material. A summary of the results of the review, in the form of strengths, areas needing improvement, and challenges, is enclosed. Strengths and challenges were noted in three of the five areas. Of special note is the fact that our review did not identify any areas as needing improvement.

BWXT continued to demonstrate a strong safety performance. We particularly note strong performance in improving safety through: (1) the high quality of your root cause investigations and tracking of corrective actions, (2) your pro-active response to industry security events, (3) your support of the joint NRC/FBI exercise, and (4) your excellence in licensing actions.

The results of the review will be discussed with you at your facility in Lynchburg, Virginia, during a meeting open to the public on May 31, 2001. During that meeting, we expect you to discuss your view of your performance in the same major areas.

Based upon this review and on your demonstrated performance, the NRC will generally maintain the current level of inspection at your facility, which is the minimum level for a Category I fuel facility. Some additional inspection effort will be necessary to evaluate your safeguards upgrade.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available **electronically** for public inspection in the NRC Public Document Room **or** from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Questions and comments about NRC's review of BWXT's performance should be referred to Mr. Edward J. McAlpine, who can be reached by telephone at 404-562-4711.

Sincerely,

**/RA/**

Luis A. Reyes  
Regional Administrator

Docket No. 70-27  
License No. SNM-42

Enclosure: Licensee Performance Review  
- Summary Outline

cc w/encl:  
A. F. Olsen  
Licensing Officer  
BWXT Technologies  
P. O. Box 785  
Lynchburg, VA 24505-0785

Leslie P. Foldesi, Director  
Bureau of Radiological Health  
Division of Health Hazards Control  
Department of Health  
1500 East Main Street, Room 240  
Richmond, VA 23219

Distribution w/encl: (See Page 3)

Distribution w/encl:

B. Dean, DISP/PIPB

M. Adams, NMSS

L. Roche, NMSS

E. Flack, NMSS

J. Muszkiewicz, NMSS

O. DeMiranda, RII

E. McAlpine, RII

D. Seymour, RII

C. Hughey, RII

P. Hiland, RIII

W. Britz, RIV

B. Spitzberg, RIV

Meeting Announcement Coordinator, OADM/DFIPS (PMNS)

S. Rosenberg, Region II Regional Coordinator (16E15)

Region II Administrator's Secretary

Region II Division Directors and Deputies

Region II DNMS Division Secretary

K. Clark, Public Affairs Officer, RII

R. Hannah, Public Affairs Officer, RII

Headquarters Operations Officer

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NAME	DSeymour	EMcAlpine	DCollins	BMallett
DATE	4/26/2001	4/26/2001	4/26/2001	4/27/2001
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**LICENSEE PERFORMANCE REVIEW FOR BWX TECHNOLOGIES (BWXT)**  
**PERFORMANCE PERIOD: APRIL 9, 2000 TO MARCH 10, 2001**  
**SUMMARY OUTLINE**

The following is a summary of the program strengths, improvements, and challenges for the performance of BWXT, in the conduct of NRC licensed activities.

**PERFORMANCE AREA: SAFETY OPERATIONS**

This area is comprised of chemical safety, criticality safety, plant operations, fire safety, and management controls

**Safety Operations Program Strengths**

- Comprehensive, high quality root cause investigations, and highly effective implementation and tracking of corrective actions

**Areas Needing Improvement in Safety Operations**

- None

**Projected Challenges to Performance in Safety Operations**

- Installation of the new downblending dissolution facility and timely installation of the special nuclear material storage facility

**PERFORMANCE AREA: SAFEGUARDS**

This area is comprised of material control and accounting, and physical protection

**Safeguards Program Strengths**

- Pro-active response to industry security events and incorporation of lessons learned into security programs
- Supported the first NRC/FBI exercise

**Areas Needing Improvement in Safeguards**

- None

**Projected Challenges to Performance in Safeguards**

- Meet the deadlines for the new safeguards upgrade, including increasing the staff, while maintaining the program

Enclosure

**PERFORMANCE AREA: RADIOLOGICAL CONTROLS**

This area is comprised of radiation protection, environmental protection, waste management and transportation

**Radiological Controls Program Strengths**

- None

**Areas Needing Improvement in Radiological Controls**

- None

**Projected Challenges to Performance in Radiological Controls**

- None

**PERFORMANCE AREA: FACILITY SUPPORT**

This area is comprised of maintenance and surveillance, training in safety, and emergency preparedness

**Facility Support Program Strengths**

- None

**Areas Needing Improvement in Facility Support**

- None

**Projected Challenges to Performance in Facility Support**

- None

**PERFORMANCE AREA: SPECIAL TOPICS**

This area is comprised of safety licensing, fundamental nuclear material control plan, and the security plan

**Special Topics Licensing Strengths**

- Comprehensive, responsive, and timely requests for licensing reviews

**Special Topics Licensing Areas Needing Improvement**

- None

**Projected Challenges to Performance in Special Topics**

- Complete the Integrated Safety Analysis (ISA), the ISA summary, and implement new 10 CFR Part 70 requirements